CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

FEBRUARY 15, 2011

INVOCATION:
Pastor Jim Schettler of First Baptist Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Boysen led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Fire Chief Jones, Director of Public Works/City Engineer Whitehead, Director of Utilities Sweet, Police Commander Ritz, Director of Community Development Appel, Director of Recreation and Parks Posada, Director of Administrative Services Visé, Management Analyst II van de Kamp, and Deputy City Clerk Garietz.

RESOLUTION COMMENDING DAVE McDANIEL
Councilmember Cordero read Resolution No. 2011-15 recognizing and commending Dave McDaniel, Fire Captain, for his 31 years of dedicated service to the City of Santa Maria and the Santa Maria Fire Department and congratulating him on his retirement.

Resolution No. 2011-15 was adopted on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2011-15 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING DAVE McDANIEL, FIRE CAPTAIN, FOR 31 YEARS OF DEDICATED SERVICE.

Captain McDaniel stated it was a hard decision to retire. He saw that the Department was being left in pretty good hands, so he was going to go fishing.

Fire Chief Jones stated Captain McDaniel was leaving big shoes to fill as the most senior captain. Dave was a person who worked very hard for the Department, the Community, Local 2020, the Elks, and was a team player in all senses of the word. Dave was always an advocate of policy and doing things right and setting a good example.

VOLUNTEER OF THE MONTH
Councilmember Orach presented a gift to the Recreation and Parks Volunteer of the Month for February 2011, Kali Williams of KT's Gymnastics Center and the Triple Threat All-Star Cheerleading team, for their participation in and quality entertainment at the 2010 Autumn Arts Grapes and Grains Festival and the "Grease in the Park" event.

PROCLAMATION – NATIONAL FFA WEEK
Councilmember Patino read a proclamation declaring the week of February 19 through 26, 2011, as "National FFA Week" in the City of Santa Maria, and urging the residents

of Santa Maria to recognize the importance of agriculture in our community and support the efforts of our local FFA Chapters. The proclamation was accepted by Andrea Calderon, Santa Maria High School FFA President.

PUBLIC COMMENT

Tom Davidson talked about the cost of drywall materials to build the two new Fire Stations in the City. He also talked about an article in the paper regarding teaching English to illegal immigrants so they could get better jobs.

Sharon Knotts talked about the presentation at the last City Council meeting by ICE Agent David Wales. She read from an article from September 2010, in the Ventura County Star, which reported that ICE Agent David Wales arrested the business owners of a small Oxnard metal casting company for hiring illegal aliens with no prior criminal activity which was one of 36 local employers targeted that hire illegal aliens. She pointed out the contradictions in what Mr. Wales told the Council. She also talked about federal 287(g).

Gwen Wood read a letter to the editor that was in the newspaper last week regarding the deterioration of Santa Maria due to illegal aliens. She said the solution lies in adopting E-verify City-wide, implementing a gang injunction, and getting Police Officers trained in 287(g) to work with ICE.

CONSENT CALENDAR

Mayor Lavagnino pulled Item 3E for discussion. Councilmember Boysen requested Item 3D be pulled for comment.

Item 3D – Opposing Governor's Proposal to Eliminate Redevelopment Agencies

Councilmember Boysen stated he fully supported and agreed that raids of local funds must be stopped. However, he had trouble supporting this resolution when there hasn't been anything in writing yet from the Governor. He said it was his understanding that the proposal would not affect the City of Santa Maria at all in that RDA's that have incurred debt would be excluded.

City Manager Ness stated Councilmember Boysen was correct that the City had not received anything in writing from the Governor's office at this point. This request for a resolution was being made by the League of California Cities to all its member cities. The City does not know at this point whether or not the Governor's proposal will affect the City's budget. It was staff's recommendation that the City Council, following the lead of the League of California Cities, adopt this resolution opposing the proposal to eliminate RDAs. The voters approved Proposition 22 last year. It was very clear in that legislation that redevelopment financing was to be protected. The League of California Cities will most likely file litigation against the State over constitutionality issues of the Governor's proposal. Essentially, the intent of this item was to gather enough support from the cities across the State to present to the Governor's office so he would decide to not pursue any impact on Redevelopment Agencies whatsoever. He encouraged the Council to adopt the resolution.

Item 3E – Federal Stimulus Update

Mayor Lavagnino thanked Management Analyst II van de Kamp for preparing the report. It was an eye-opener to see how many dollars Santa Maria had been able to bring into the area. The City has been awarded $14.7 million plus the $40 million for the levee. There has been a lot of debate about whether the stimulus funds were good for the people; but the City of Santa Maria has truly benefitted from it.

Councilmember Cordero agreed. Even as tough as things have been in the last year, it would have been a lot tougher without all the stimulus funds coming into the community. This has been worthwhile for the City.

Councilmember Orach also agreed. The one important thing to look at was that these were all shovel-ready projects that the City had been working on for years.

Councilmember Patino stated another thing that was important to note was that once the City had completed these projects, they were completely paid for. The levee

impacts individual families because of the flood insurance. The City needed the levee certified.

Councilmember Boysen stated the Neighborhood Stabilization funds and the Homeless Prevention Services were funds going to the neediest of the needy.

Consent Calendar Items 3A through 3J, except 3D, were approved on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Item 3D, Resolution No. 2011-16, Opposing the Governor's Proposal to Eliminate Redevelopment Agencies was adopted on motion by Councilmember Orach, seconded by Councilmember Patino and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, and Mayor Lavagnino
NOES: Councilmember Boysen
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of February 1, 2011, were approved as submitted.

C. BOND RELEASES
The City Council authorized the release of all outstanding bonds associated with La Vigna at Westgate Ranch, Tract 5865, as all improvements and securities have been incorporated into the re-subdivision of La Vigna II, Tract 5964. The bonds released were a Faithful Performance Bond for public improvements in the reduced amount of $351,903.00; a Contractor, Labor & Materials Bond in the amount of $1,896,252.00; a Guarantee & Defective Materials Bond in the amount of $379,250.00; a Faithful Performance Bond for Landscaping and Irrigation in the reduced amount of $60,000.00; a Contractor, Labor & Materials Bond in the amount of $189,458.50; a Faithful Performance Bond for Landscape Maintenance in the amount of $24,691.50; and a Faithful Performance Bond for Street Trees in the amount of $38,064.60.

D. OPPOSING GOVERNOR'S PROPOSAL
Resolution No. 2011-16 was adopted opposing the Governor's proposal to eliminate municipal redevelopment agencies.

Resolution No. 2011-16 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, IN OPPOSITION TO THE ADMINISTRATION'S PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES IN CALIFORNIA.

E. FEDERAL STIMULUS FUNDS UPDATE
The City Council received as information a status report regarding Federal stimulus funding grants and entitlements that the City of Santa Maria is receiving and putting to work.

F. WARRANTS
Warrant Nos. 164061 to 164286 totaling $1,343,513.27 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 164226, 164258, 164259, 164260, and 164280 were cancelled.

G. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

H. PARKING RESTRICTIONS
Resolution No. 2011-17 was adopted establishing 2-hour limited time parking zones in front of 2441 Professional Parkway and no stopping zones on both sides of the driveway.

Resolution No. 2011-17 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ESTABLISHING 2-HOUR LIMITED TIME PARKING AND NO-STOPPING ZONES ON PROFESSIONAL PARKWAY PURSUANT TO SECTION 7-5.14 AND 7-5.16 OF THE SANTA MARIA MUNICIPAL CODE.

I. CONTRACT FOR UTILITY LOCATION SERVICES
Resolution No. 2011-18 was adopted authorizing the Director of Utilities, or his designee, to enter into an agreement with S.E. Chambers Construction to perform utility locating services for the Utilities Department.

Resolution No. 2011-18 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE AGREEMENT FOR UTILITY LOCATING SERVICES FOR THE CITY OF SANTA MARIA UTILITIES DEPARTMENT.

J. AMENDMENT TO AGREEMENT WITH CHEVRON
Resolution No. 2011-19 was adopted approving an amendment to the Impacted Soils Reuse Agreement with Chevron to extend the existing agreement to December 2011.

Resolution No. 2011-19 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENT TWO TO THE IMPACTED SOILS REUSE AGREEMENT BETWEEN THE CITY OF SANTA MARIA AND CHEVRON ENVIRONMENTAL MANAGEMENT COMPANY AND UNION OIL COMPANY, COLLECTIVELY KNOWN AS CHEVRON.

APPOINTMENTS TO ALL-AMERICA CITY COMMITTEE AND LANDMARK COMMITTEE.
Deputy City Clerk Garietz gave the staff report. The City Council will consider making one At-Large appointment to the All-America City Committee and direct staff to again readvertise the Youth/Education vacancy on the All-America City Committee and one vacancy on the Landmark Committee as insufficient applications were received to fill all the vacancies. One application was received from Edward Tomilloso for the At-Large category. This will be Councilmember Boysen's nomination. The appointment will be made by the Mayor and must be ratified by the City Council. Following this appointment to the All-America City Committee, there will still be one vacancy in the Youth/Education category and one vacancy on the Landmark Committee. Staff will once again readvertise these two vacancies in the hopes of soliciting more applications.

Councilmember Boysen nominated Edward Tomilloso.

On motion by Councilmember Boysen, seconded by Councilmember Cordero and carried unanimously, Edward Tomilloso was appointed to fill the At-Large vacancy on the All-America City Committee, and staff was directed to readvertise the remaining two vacancies on the All-America City Committee and the Landmark Committee.

RESOLUTION APPROVING AN AMENDMENT TO AND AN EXTENSION OF THE CURRENT MEMORANDUM OF UNDERSTANDING WITH THE SANTA MARIA FIRE FIGHTERS' UNION (LOCAL 2020).
Assistant City Manager Haydon gave the staff report. Over the last several months, City staff has been in contract negotiations with each of the represented bargaining groups to garner economic concessions at the negotiating table for calendar year 2011. During these discussions, the State and local economy was discussed and the negative fiscal impact the recent recession continues to have on City finances. All employee

groups were informed that the City was in a concession bargaining position for 2011 and was seeking not only a continuation of similar compensation concessions agreed to in 2010, but also seeking a lower level two-tier retirement plan. Last month, the City Council approved an agreement reached with the Service Employees International Union (SEIU), wage and benefit packages for management and confidential personnel, and unilaterally imposed specific terms and conditions of employment on the Santa Maria Police Officers' Association. Consequently, the Santa Maria Fire Fighters' Union, Local 2020, is the only remaining employee group requiring Council action.

Negotiations on an MOU extension with the Santa Maria Fire Fighters' Union (Local 2020) have concluded. The Santa Maria Fire Fighters' Union, Local 2020, represents all 45 sworn personnel in the Fire Department, excluding chief officers. Local 2020 is coming off a one-year contract that expired on December 17, 2010. The proposed contract extension calls for another one-year contract that is set to expire on January 27, 2012. The recommended contract extension language includes the continuation of existing concessions and the introduction of a new lower level two-tier retirement plan – a plan consistent with the type that the City Council imposed on the Santa Maria Police Officers' Association last month.

In summary, Local 2020 agreed to four percent compensation concessions for all shift personnel and five percent concessions for all non-shift employees. The difference between the two is that non-shift employees will be participating in a Mandatory Time Off (MTO) Program while shift employees have agreed to concessions in holiday compensation. Currently, all sworn fire personnel participate in the CalPERS 3% at 50 single highest year retirement plan, with the City paying the entire nine percent members' contribution. During this recent round of negotiations, both the City and Local 2020 representatives have agreed to implement a new lower level two-tier retirement plan based on the 3% at 55 three year average retirement formula, with the new hired employees paying nine percent of the pension-related costs. The proposed new lower level retirement plan would be applicable to all new employees hired on or after July 1, 2011. On Monday, January 31, 2011, Local 2020 negotiators presented the proposed contract extension language to their membership and the language was ratified.

James Clayton, member of Local 2020 Negotiating Team, thanked the Council for putting Fire Station No. 5 out to bid. It was a project the Department was supporting. He thanked City staff for their patience during negotiations. Local 2020 was committed to working with the City on all the PERS issues and the budget.

Mayor Lavagnino thanked Local 2020. It showed a lot of class. Things were tough right now for the City. The Council was very thankful that Local 2020 was willing to work with the City in the negotiations.

Elijah Coleman, President of Santa Maria Fire Fighter's Local 2020, stated every City employee, including the fire fighters, have given more back in pay and benefits than any of the surrounding agencies. They have helped meet the past budget goals with reductions in pay and benefits. The biggest problem with the PERS pension system was the economic meltdown on Wall Street. Unlike the private sector, City employees don't pay into Social Security so they don't receive any Social Security benefits when they retire. Less than 1 percent of CalPERS pensions exceed 6 figures, and that was for senior executives and management, not employee union members. Santa Maria fire fighters have always been paid less than the average. The desire to work for Santa Maria was more than pay and benefits. Local 2020 members enjoyed the community and looked forward to working with the Council to staff Fire Station No. 5.

Assistant City Manager Haydon stated Santa Maria is the only city in the tri-counties area where all full-time employee groups will be going to a new two-tier retirement system.

Councilmember Patino stated the Council really understood how difficult it was for them to go back to their members with this proposal. The Council certainly appreciated it.

Resolution No. 2011-20 was adopted approving an amendment to the Fire Fighter's Union current memorandum of understanding on motion by Councilmember Cordero, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-20 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO AND AN EXTENSION OF THE MEMORANDUM OF UNDERSTANDING WITH THE SANTA MARIA FIRE FIGHTERS' UNION, LOCAL 2020.

FINANCIAL REPORT FOR SECOND QUARTER ENDING DECEMBER 31, 2010, AND A BUDGET AMENDMENT REPORT FOR FISCAL YEAR 2010-11.

Director of Administrative Services Visé gave the staff report. With 50 percent of the year complete, revenues are at 31.6 percent of projections while expenditures are at 46.4 percent of appropriations. Revenues are less than budgeted primarily because property tax in lieu are not received until late January and May each year. It is anticipated that the first installment of this revenue will be $5.2 million. Total revenue and transfers are $16.9 million which is $93,581 less than last year. The sluggish economy has taken a toll on the City's revenues. Revenues have remained stagnant, at low levels, since the recession officially ended. The total General Fund expenditures, including debt service and transfers out, were $54.3 million. In the Water/Wastewater Fund, expenditures exceeded revenues by $4.6 million, primarily because of large capital project expenses and payments for State Water. In the first half of the year, the Water/Wastewater Fund spent $2.5 million on capital projects such as the fixed base metering project for $1.7 million and $449,000 on water main replacements. Also, one semi-annual debt service payment was made on the 1993 and 1997 Water Bonds for $5.2 million. In the Solid Waste Fund, refuse expenses exceeded revenues by $2.5 million. Expenditures included $3 million of capital, which contributed to the quarterly loss. The most significant expenditure was $2.6 million for the Los Flores Ranch Development Plan. The annual budget for this capital project item is $9.3 million. There are sufficient reserves in the Solid Waste Fund to cover the anticipated negative cash flow resulting from the quarterly loss. He also talked about the decline in Non-Hazardous Impacted Soils (NHIS) revenue over the last year and lower projections for next fiscal year. Additionally, a budget amendment report is included for Council's consideration.

Mayor Lavagnino asked how much the City had received in NHIS revenue and how much of a shortfall the City would have faced without it.

Director Visé explained that since 2002-03, the City had collected about $29 million in revenue or about $3.3 million annually.

Mayor Lavagnino stated in addition to not having that $29 million in revenue, the City would have had to purchase soil to use as cover for the landfill.

Utilities Director Sweet indicated that the cost for cover soil would have been $30 to $45 million.

City Manager Ness explained that the $29 million from NHIS revenue has been dedicated to public safety positions, 16 additional Police Officers and 9 additional Fire Fighters. That was what the money has been supporting since 2002-03.

Councilmember Boysen asked if the decline in NHIS revenue was a timing difference, and Chevron would have to continue hauling the impacted soil. He also asked if the City was competing with any other agency for NHIS.

Director Sweet stated he was presently examining what the projected income might be over the next three to four years. It was largely economy driven as oil prices go up and down. There were still cleanups going on, and the City was looking at ways to be the preferred site for disposal. With regard to the Guadalupe Dunes site, Chevron completed the first phase of the cleanup, but there was a second phase and a subsequent phase after that. He was confident there would be a significant amount of soil going to the Landfill, but it would depend on when negotiations were completed with

the Regional Water Quality Control Board. The City was competing with private industry, with Waste Management being the toughest competitor.

Assistant City Manager Haydon indicated that when the City entered the current fiscal year, it was faced with an $8 million deficit. The budget was balanced using one-time reserves, reducing operating expenses, deferred cost allocations, and employee concessions. Going forward into Fiscal Year 2011-12, the City had some significant financial challenges in store. NHIS revenues will be short $1.4 million. The City will be challenged to not reduce the level of service and staffing levels in order to balance the budget. Staff would be working on financial plans to bring back to Council, and there would be some hard choices to make.

Resolution No. 2011-21 was adopted approving a budget amendment on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Orach, Patino, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2011-21 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2010-11 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

CITY MANAGER'S REPORT

City Manager Ness reported on items anticipated for the March 1, 2011, City Council meeting including award of the bid for Fire Station #3 and setting the speed limit on Union Valley Parkway. On the 15th of March, the Council would be presented with the six-month review of the Good Neighbor Ordinance; and on April 5th, staff would be asking the Council to consider the CDBG and HOME allocations and the Solid Waste rate increase.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Cordero reported he attended, with the Mayor, the San Luis Obispo Council of Governments (SLOGOC) meeting to thank them for their donation toward the Santa Maria River Bridge project, a meeting with Congresswoman Capps and others regarding the levee, a CAC meeting in Solvang, a presentation from Common Ground in Santa Barbara for the homeless count, the memorial service for former Mayor Don Lahr, the dedication of a roadway in honor of Mayor Dick DeWees, the memorial service for Buellton Councilmember Russ Hicks, the Special Olympics VIP Dinner; toured the compost factory at Engle and Gray, attended the Santa Maria Police Department Awards Luncheon at the Elks, Cruzin' for Life at the Fairpark, a meeting on the Ten-Year Program to End Homelessness, met with several young ladies on a Hancock College project, and toured the new Vallarta Market.

Councilmember Orach reported he attended some of the same things Councilmember Cordero mentioned. The All-America City Committee met and scheduled the neighborhood meetings over the next few months. He also attended the LAFCO meeting, and the Police Officers Award Luncheon.

Mayor Lavagnino reported he attended the San Luis Obispo Council of Governments (SLOGOC) meeting to thank them for their $2.4 million allocation toward the Santa Maria River Bridge project; met with Colonel Toy, Congresswoman Capps, Greg Burns, Supervisor Lavagnino, Tom Fayram and City staff to discuss the remaining portion of the levee; attended a meeting of the Santa Maria Young Professionals Networking Group; spoke at Leadership Santa Maria Valley topic day; attended the celebration of life for former Mayor Don Lahr; the Boy Scouts of America Scout-O-Rama at the Towncenter Mall; the Police Officers Awards Luncheon at the Elks; and the memorial service for Buellton Councilmember Russ Hicks.

Councilmember Patino reported she attended the celebration of life for Don Lahr; the Police Officers Award Luncheon; and a Youth Sports Panel at Saint Andrews Church sponsored by the Santa Barbara Foundation. She indicated she received an invitation

from Sheriff Brown to discuss alternatives for funding a North County Jail. She said anyone who would like to come and speak to her about that before the next City Council meeting on March 1st, she would be available an hour before the Council meeting begins.

Councilmember Boysen reported he attended several meetings with the Common Grounds group that was spearheading the homeless count for Santa Barbara County, toured the Engle and Gray compost facility, the new Vallarta Market, and Windset Farms.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:09 p.m. by Mayor Lavagnino.

APPROVED

March 1, 2011
Date

Chief Deputy City Clerk and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor